



**Date:** May 19, 2015

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Kevin Dick, Executive Director  
**Subject:** Recommendation from OEWD staff and NCWorks subcommittee to renew and recommend the Durham City Council approve of the Fourth Amendment to Workforce Innovation and Opportunity Act Contract between the City of Durham and Educational Data Systems Incorporated (EDSI) from July 1, 2015 - June 30, 2016, with modifications to the scope of service and increase to the budget up to \$621,000.

### **Executive Summary**

This memorandum outlines the recommendation from the Durham Workforce Development Board through OEWD staff to amend the contract between the City of Durham and Educational Data Systems, Incorporated (EDSI) for the purpose of extending the contract by one year and adding up to \$621,000 in Workforce Innovation and Opportunity Act (WIOA) funds. In addition, the amendment extends the Jobs Driven National Emergency Grant (JDNEG) funds awarded in the third amendment for one year July 1, 2015 - June 30, 2016. The fourth amendment brings total contract funds up to \$1,939,251 and includes an option to renew for one subsequent year subject to performance and funding availability. OEWD will release a Request for Proposals in January of 2016.

The fourth amendment modifies the scope of services in Attachment A of the second amendment, and A-1 of the third amendment to include additional services and modifications based on the policies of the new Workforce Innovation and Opportunity Act. The fourth amendment also revises the goals of the JDNEG grant subtracting the prior year's production from the total two-year goal. The fourth amendment will set as a minimum goal to provide On-the-Job training services for an additional 14 (WIOA)-eligible dislocated workers using JDNEG funds and provide screening to allow an additional 42 dislocated workers to be referred to Durham Technical Community College (DTCC) for the NCWorks Jobs Driven Training program titled (Training for Careers).

The fourth amended contract and funds would provide WIOA core and intensive services for up to 6,300 WIOA-eligible core and intensive clients. These services would include the following:

- Assistance with enrollment in NCWorks.gov (State of NC Workforce I.T. System)
- Determination of eligibility under Workforce Innovation and Opportunity Act
- Outreach, intake, and orientation to the procedures and other services available through the Integrated delivery system of NCWorks
- Initial assessment of skill levels, aptitudes, abilities and need for supportive services
- Labor market information
- Referrals to other intensive, supportive and WIOA training services, as needed

- Intensive Services as defined by WIOA regulations (case management)
- Vouchers for supportive services such as personal protective equipment, childcare tools and/or transportation
- Job referral and placement assistance
- Business services and job development activities that will help increase employment opportunities for WIOA participants
- Follow-up services after exit for participants placed in employment in need of additional assistance to retain employment

### **Recommendation**

To authorize the City Manager to execute a fourth contract amendment to the original contract between the City of Durham and Educational Data Systems, Incorporated (EDSI) for services to be provided from July 1, 2015, through June 30, 2016, increasing the amount of the original contract by up to \$621,000 for a total contract amount not to exceed up to \$1,939,251.

### **Background**

As a result of the Request for Proposals that closed on October 14, 2013, the Office of Economic and Workforce Development (OEWD) and the Durham Workforce Development Board (DWDB) recommended, a three month contract with EDSI, which was approved by the Durham City Council on January 21, 2013. The amount of the original contract was \$280,000.00 for the purpose of providing services to Adult and Dislocated Workers between April 1, 2014 and June 30, 2014. An amendment was made to correct a minor contract adjustment.

On June 16, 2014, the City Council approved a Second Amendment to the Original Contract between the City of Durham and EDSI for the purpose of extending the contract by one year from July 1, 2014 through June 30, 2015 and adding \$721,000 for employment and training services.

On October 6, 2014, the City Council approved a Third Amendment to the Original Contract between the City of Durham and EDSI for the purpose of adding \$317,251 and amending the scope of service to include activities related to screening and enrollment for the JDNEG training program and On-the-Job training for an additional 25 clients.

For the life of the contract, EDSI has provided services using the State of North Carolina's Integrated Service Delivery model. EDSI has served a dual role of services (WIOA and Wagner-Peyser) with the core function being to provide core and intensive services at the Durham Career Center and designated satellite sites.

The Wagner-Peyser services are made available to the general population of job seekers and businesses, whereas the Workforce Innovation and Opportunity Act services are provided to WIOA federally-eligible clients and allows for additional business services to be provided including OJT job placement, WEX, and other activities designed to help clients overcome barriers to success and to achieve self-sufficiency.

Since accepting the contract in January, EDSI has made connections in the business community closing thirty-one On-the-Job (OJT) training contracts with local businesses. Nineteen of these contracts were closed within the past year July 1, 2014-June 30, 2015 and eleven utilized the JDNEG funds. These contracts result in a placement/ hire and benefit to

our local community by adding approximately \$727,302 in taxable dollars to the Durham economy in the form of salary. Over the life of this contract, EDSI has provided twenty-three work experience (WEX) opportunities. A work experience provides the client employment at a company for generally three months depending on the skills gap. The client receives training while working that will assist them in overcoming the skills gap. EDSI pays the wages for the work experience based on the timesheets turned in by the company and according to the worksite agreement.

Keeping with the intent of the scope of the third amendment and utilizing the Jobs Driven National Emergency Grant funds, EDSI screened and determined eligibility of 24 Dislocated Workers for the training offered at Durham Technical Community College. These Dislocated Workers once eligible were referred to Durham Technical Community College to receive the Bioworks, Certified Production Technician, or Customer Service trainings. These trainings will create pathways to careers for clients of the Durham NCWorks Career Center to enter in fields where talent is in demand.

Through the services delivered by EDSI a total of 1901 new clients were enrolled in the program. During this same time 393 Durham clients exited the program. A total of 308 or 78% of clients were placed in employment at an average wage of \$13.55 per hour.

### **Issues and Analysis**

The renewal of EDSI's contract for an additional year and the addition of up to \$621,000 will enable EDSI to continue providing the Core and Intensive services. The stability of their continued services as the provider is recommended as the new WIOA legislation will begin implementation starting July 1, 2015.

During the past year, EDSI has gained knowledge of and utilized the NCWorks.gov (NC Department of Commerce's Workforce Development I.T. System). EDSI also assisted in the transitioning to the State of North Carolina's new Integrated Service Delivery model. The model's processes are still being developed and strengthened.

OEWD anticipates that the program knowledge EDSI has gained during the first year working with current Durham clients, relationships with Durham businesses, and of the operations and policies of the NCWorks Career Center will be a benefit as new policies or procedures are implemented resulting from Workforce Innovation and Opportunity Act federal and state guidance issuances.

EDSI is on pace to meet the performance objectives set by the State of North Carolina for the past year. See the 1<sup>st</sup> and 2<sup>nd</sup> quarter 2014 numbers below in Table 2.

**Table 2. PY 2014 (1<sup>st</sup> and 2<sup>nd</sup> Quarter) Performance Numbers.**

<b>Common Measure</b>	<b>Performance Goal</b>	<b>Actual Performance</b>	<b>% to Performance Goal</b>
<b>Adult Entered Employment Rate</b>	78.00%	64%	83%
<b>Dislocated Worker Entered Employment Rate</b>	82.10%	77.36%	94%
<b>Adult Employment Retention Rate</b>	87.50%	78%	89%

<b>Dislocated Worker Employment Retention Rate</b>	91.00%	90.78%	99.75%
<b>Adult Avg. Earnings</b>	\$13,600.00	\$12,329.27	91%
<b>Dislocated Worker Avg. Earnings</b>	\$16,500.00	\$15,476.13	94%

#### **Alternatives**

The City Council could choose to set aside the recommendation requiring OEWD to release a new RFP and identify a new provider for the services. This could impact the ability of OEWD to meet the State of North Carolina's JDNEG timeline and placement goals, and Adult and Dislocated Worker performance goals. This would also cause interruptions in the flow of services to businesses and job seekers.

#### **Financial Impact**

EDSI would be approved for payments of up to \$1,939,251. Funds for this contract will have no impact on the City of Durham General Fund. Funds for this contract are paid with WIOA Adult and Dislocated Worker dollars and JDNEG that are received by OEWD from the United States Department of Labor through the North Carolina Department of Commerce Division of Workforce Solutions to the City and the DWDB.

#### **SDBE Summary**

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.

#### **Attachments**

Fourth Contract Amendment to Workforce Innovation and Opportunity Act Contract Between the City of Durham and Educational Data Systems Incorporated- 19 pages